

**EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
ANNUITY AND PENSION BOARD**

Minutes of the Administration and Operations Committee Meeting
held May 18, 2017

The meeting was called to order at 9:05 a.m.

Committee Members Present: John Barmore
 Martin Matson

Committee Members Not Present: Gerald Pace

ERS Staff Present: Bernard J. Allen, Executive Director
 Melody Johnson, Chief Financial Officer/
 Interim Deputy Director
 Kelly Reid, Chief Technology Officer
 Erich Sauer, Pension Investment Analyst
 Mary Turk, Business Operations Analyst

Others Present: Daniel Ludwig, Kyle Johnson, Experis; Miriam Horwitz, City Attorney's Office; Thomas Bell, ERS Annuity and Pension Board Trustee; Molly King, Budget Office.

Experis Internal Audit Reports. Mr. Ludwig noted the ERS is very responsive to requests and questions from Experis. Mr. Ludwig presented the Risk Assessment and Internal Audit Plan for Fiscal Year 2017 as well as six internal audits for Ethics and Governance, Benefits Calculation, Enrollment and Member Services, Finance/Accounting, Human Resources and Payroll, and Benefits Administration. Mr. Ludwig noted a risk many private and public organizations have is the transition and turnover risk among employees. He stated the ERS has transition plans in place and standardized procedures with the objective of maintaining the operation's effectiveness and resiliency intact. Mr. Johnson discussed the three IT audits and noted controls have been in place for years with systems and data being protected. Discussion ensued.

Approval of A&O Committee Audit Charter and Internal Audit Charter. Mr. Allen noted this was the yearly exercise to review the audit charter. It was moved by Mr. Matson and seconded by Mr. Barmore to approve the A&O Committee Audit Charter and Internal Audit Charter.

Approval of First Amendment to Conduent HR Consulting, LLC (f/k/a Buck Consultants, LLC) Agreement (name change). Mr. Allen noted Buck Consultants, LLC is now doing business as a unit of Conduent. He stated the contract does not change and the ERS has its same rights and obligations. It was moved by Mr. Matson and seconded by Mr. Barmore to approve the Approval of First Amendment to Conduent HR Consulting, LLC (f/k/a Buck Consultants, LLC) Agreement (name change).

IT Projects Portfolio. As a matter of information, Committee members received the ERS IT Portfolio Report dated May 18, 2017. Ms. Reid updated the Committee on the technology projects, applications stats and a snapshot of the IT portfolio as of May 18, 2017. Ms. Reid commented on the forthcoming ERS-IT Reorganization Plan. She noted the following projects are in progress:

MERITS Optimization, Struts 2 Upgrade, Firewall and Active Directory Reviews and Cleanups, IP Address Reviews and Cleanup, SQL Database Review, VMware Host Upgrade, LAMP, Member Education Videos, CMERS Website Upgrade planning with vendor, DNS Review and Cleanup, and IT Strategic Plan FY 2012-2017. Ms. Reid stated the cmers.com website will also have an update. Ms. Reid stated upcoming projects include Print Maintenance Services, IT General Control Audit, Review of Backup/Retention Schedules and Desktop Improvements. Discussion ensued.

Organizational/Personnel Update. As a matter of information, Committee members received a copy of the Organizational/Personnel Update dated May 18, 2017. Mr. Allen noted the reorganizations and reclassifications are in progress, approval has been given to fill the Pension Accounting Manager position (a CPA position), the ERS is working with DER to update two IT positions and a proposed IT Reorganization is pending DER classification study. Mr. Allen noted the ERS just had a retirement in the Management Accountant Senior position. Ms. Johnson said they are also looking to fill the positions of Front Desk Receptionist and Records Tech.

There being no further business, Mr. Barmore adjourned the meeting at 10:10 a.m.

Bernard J. Allen
Secretary and Executive Director

(NOTE: All proceedings of the Annuity and Pension Board Meetings and related Committee Meetings are recorded. All recordings and material mentioned herein are on file in the office of the Employees' Retirement System, 789 N. Water Street, Suite 300.)